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TAGS: [PREL](#) [PGOV](#) [IT](#) [ITALY](#) [NATIONAL ELECTIONS](#)

SUBJECT: PRODI SEES CENTER-LEFT LEAD, PLEDGES NO SURPRISES
ON IRAQ

Classified By: Ambassador Ronald P. Spogli

Summary

1. (C) Center-left leader Romano Prodi December 14 called on the Ambassador at the embassy. The center-left leader broke no new ground on domestic or foreign issues and appeared to have no obvious agenda with us except to establish a dialogue. In the meeting, which took place at his initiative, Prodi was at pains to reassure the Ambassador that -- campaign rhetoric notwithstanding -- in the event of a center-left victory, he would seek to work closely and cooperatively with the USG. There would be no surprises on Iraq and he wanted to be in close contact with the United States during the likely two-month intervallum between April elections and a new government actually taking office sometime in June. Prodi said he did not wish to be over-confident, but estimated that his coalition currently had an eight- to ten-point margin in the polls. He criticized Italy's new electoral law as calculated to stimulate electoral factionalism and a setback to the country's political stability. A close vote, he said, could lead to the center-left controlling the Chamber of Deputies and the center-right the Senate. End summary.

Prodi Sees Eight-Point Electoral Lead

2. (C) Center-Left leader Romano Prodi December 14 called on the Ambassador at the embassy. Pol MinCouns and long-time Prodi aide Riccardo Levi also attended.

3. (C) Prodi said he did not wish to be over-confident, but indications were that his center-left Olive Tree coalition currently had an eight- to ten-point lead in public opinion. While elections were still several months off, the center-left's recent gain of the mayor's office in Messina, Sicily was a significant indicator. Main issues for voters were likely to be the economy and, a fairly distant second, personal security concerns such as crime. Prodi expressed concern that recent turbulence in Italy's banking sector could affect the credibility of the Bank of Italy (a senior Banca Popolare Italiana executive was arrested this week for alleged misdealings, and there has been much controversy and press attention to the propriety of the Bank of Italy governor's actions in connection with recent domestic bank takeover bids).

4. (C) He noted that there was no public financing of campaigns and he had no income except pensions as former EC commissioner and ex-university president. However, a fund-raising organization had collected about a million Euros in contributions, including 200,000 from the US. He also received some fees from political parties to cover expenses for some appearances.

Elections in April, New Government in June

5. (C) The Ambassador asked Prodi what political timeline he envisioned for the spring. The center-left leader said elections would take place April 9, and the new government, parliament, and president of the Republic should all be in place roughly two months later, possibly by mid-June. Local elections would take place in late May.

6. (C) Prodi considered the recently passed electoral reform measure a major setback for political stability in Italy, deliberately crafted by the Berlusconi government to encourage factionalism. He expected a solid majority in the lower Chamber of Deputies, but saw a margin of no more than a few seats ("if we're lucky") in the Senate. He added that there was a real possibility, in the event of a close election, that the Center-Left could end up controlling the lower house and the Center-Right the upper one. Despite his misgivings, Prodi was resigned to the electoral reform becoming law because he saw no possibility that President Ciampi would attempt to challenge it on constitutional grounds (although, he maintained, experts from various political parties had questioned its constitutionality).

Prodi Acknowledges Internal Challenges

17. (C) The Ambassador asked whether far-left leader Fausto Bertanotti was likely to seek a government position in the event of a center-left win. Prodi said this was not the issue, Bertanotti had no real interest in a ministry; what he wanted was presidency of the Chamber of Deputies. And it would be better, he felt, for Bertanotti to have to function in an institutional framework, with accountability, although his assumption of such a position could create other problems. Prodi said managing his coalition, and delivering its votes reliably, would be a challenge.

18. (C) Asked if he had a specific time in mind to press for a referendum on the controversial devolution bill providing greater autonomy to Italy's regions, Prodi confirmed he would pursue a referendum to overturn the measure but did not speculate about the timing.

No Surprises on Iraq, Wants Contact with USG

19. (C) On external relations, Prodi cited the fundamental importance to Italy of the trans-Atlantic alliance and the European Union. He acknowledged the need for Italy's continued role in the Balkans, and the Middle East, singling out the Rafah involvement as a positive example. He saw Iran and Syria as significant problems for the international community, but offered no ideas for dealing with them when the Ambassador invited comment.

110. (C) On Iraq, the Ambassador observed that there appeared to be a growing convergence of views between government and opposition. Whatever the outcome of the Italian elections, he said, the USG hoped that Italy would decide its level of involvement in Iraq on the basis of conditions on the ground, not setting arbitrary dates. Prodi said there would be no surprises, and indicated that, in the event of a center-left win, he would want to be in close contact with the United States during the likely two-month intervallum between the April elections and a new government actually taking office in June.

Comment

11. (C) This meeting took place at Prodi's initiative. He came unaccompanied except by one trusted longtime aide. Discussion was entirely in Italian. The center-left leader broke no new ground on domestic or foreign issues and had no discernible agenda except to establish the contact. He was at pains to reassure us that -- campaign rhetoric notwithstanding -- in the event of a center-left victory, he would seek to work closely and cooperatively with the USG, including coordination on Iraq and other issues in the two months between elections and the seating of a new government. He freely acknowledged he faced tough internal coalition management challenges, including a role for Bertinotti, whose abrupt withdrawal had prompted the collapse of the last center-left government. After Prodi left, our public affairs office began to receive calls from Italian journalists seeking to confirm the meeting (which we did, without comment). This suggests he not only wanted to reach out to us, but to be seen doing so. That, in turn, may be part of an effort to consolidate the support of the "center" part of his center-left coalition. No surprise there -- because, despite Prodi's seeming optimism about an eight- to ten-point lead, most of our contacts see this race as tightening up considerably and much too early to call at this point. End comment.
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